

# RICKS CABARET INTERNATIONAL INC

## FORM 10QSB

(Quarterly Report of Financial Condition)

Filed 8/14/2002 For Period Ending 6/30/2002

Address	505 NORTH BELT SUITE 630 HOUSTON, Texas 77060
Telephone	281-820-1181
CIK	0000935419
Industry	Restaurants
Sector	Services
Fiscal Year	09/30

**UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-QSB**

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange  
Act of 1934; For the quarterly period ended: June 30, 2002

☐ Transition report pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934

*Commission File Number: 0-26958*

**RICK'S CABARET INTERNATIONAL, INC.**

(Exact name of registrant as specified in its charter)

Texas  
(State or other jurisdiction  
of incorporation or organization)

76-0458229  
(IRS Employer  
Identification No.)

505 North Belt, Suite 630  
Houston, Texas 77060  
(Address of principal executive offices, including zip code)

(281) 820-1181  
(Registrant's telephone number, including area code)

Check whether the issuer (1) has filed all reports required to be filed by  
Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such  
reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

**APPLICABLE ONLY TO CORPORATE ISSUERS**

On August 8, 2002, there were 3,775,348 shares of common stock, \$.01 par value, outstanding.

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

# RICK'S CABARET INTERNATIONAL, INC.

## TABLE OF CONTENTS

-----

PART I	FINANCIAL INFORMATION	
Item 1.	Financial Statements	
	Consolidated Balance Sheets as of June 30, 2002 (unaudited) and September 30, 2001 (audited) . . . . .	2
	Consolidated Statements of Operations for the three months and nine months ended June 30, 2002 and 2001 (unaudited). . . . .	3
	Consolidated Statements of Cash Flows for the nine months ended June 30, 2002 and 2001 (unaudited). . . . .	4
	Notes to Consolidated Financial Statements. . . . .	5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations . . . . .	7
PART II	OTHER INFORMATION	
Item 4.	Submission of Matters to a Vote of Security Holders . . . . .	10
Item 6.	Exhibits and Reports on Form 8-K . . . . .	11
	Signatures . . . . .	12

# **PART I - FINANCIAL INFORMATION**

## **Item 1. Financial Statements**

### RICKS CABARET INTERNATIONAL, INC AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	June 30, 2002 (Unaudited)	September 30, 2001 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 885,918	\$ 704,628
Accounts Receivable	327,723	379,653
Prepaid expenses	28,705	81,477
Inventory	196,282	196,300
Note receivable from stockholder	100,000	---
Land held for sale	---	200,000
	-----	-----
Total current assets	1,538,628	1,562,058
	-----	-----
<b>PROPERTY AND EQUIPMENT</b>		
Buildings, land and leasehold improvements	9,248,331	8,974,252
Furniture & equipment	1,716,769	1,545,876
Accumulated depreciation	(2,066,772)	(1,717,214)
	-----	-----
Total property and equipment, net	8,898,328	8,802,914
	-----	-----
<b>OTHER ASSETS</b>		
Goodwill less accumulated amortization	4,688,658	4,415,391
Other	290,630	168,137
	-----	-----
Total assets	\$15,416,244	\$14,948,500
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long term debt	\$ 156,026	\$ 327,162
Accounts payable-trade	264,429	234,591
Accrued expenses	427,512	499,049
	-----	-----
Total current liabilities	847,967	1,060,802
<b>LONG TERM DEBT</b>		
Long-term debt less current portion	4,588,688	3,509,914
	-----	-----
Total liabilities	5,436,655	4,570,716
	-----	-----
<b>MINORITY INTERESTS</b>	78,816	78,816
	-----	-----
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock - \$.10 par, authorized 1,000,000 shares; none outstanding	---	---
Common stock - \$.001 par, authorized 15,000,000 shares; issued 4,598,678	45,987	45,987
Additional paid in capital	11,257,449	11,257,449
Treasury stock, at cost	(1,227,946)	(73,619)
Retained earnings (deficit)	(174,717)	(930,849)
	-----	-----
Total stockholders' equity	9,900,773	10,298,968
	-----	-----
Total liabilities and stockholders' equity	\$15,416,244	\$14,948,500
	=====	=====

Rick's Cabaret International, Inc. and Subsidiaries  
Consolidated Statements of Operations  
(Unaudited)

	For The Three Months Ended June 30,		For The Nine Months Ended June 30,	
	2002	2001	2002	2001
<hr/>				
REVENUES				
Sales of alcoholic beverages	\$1,581,035	\$1,511,870	\$ 4,873,466	\$ 4,310,031
Sales of food	226,543	208,233	663,118	612,569
Service revenues	1,307,280	1,309,466	3,900,375	3,943,619
Internet revenues	573,647	1,807,618	1,722,492	5,944,034
Other revenue	263,564	280,819	757,225	757,437
	<hr/>			
Total reveune	3,952,069	5,118,006	11,916,676	15,567,690
<hr/>				
OPERATING EXPENSES				
Cost of goods sold	791,427	1,455,351	2,370,611	5,629,246
Salaries and wages	1,310,969	1,200,244	3,807,925	3,615,197
Other general and administrative				
Taxes and permits	512,045	510,170	1,521,949	1,432,316
Charge card fees	62,994	71,064	170,258	240,228
Rent	55,031	51,167	203,599	206,574
Legal and accounting	108,787	186,857	416,268	582,727
Advertising	160,873	129,434	493,288	393,571
Other	640,561	830,515	1,927,248	2,210,948
	<hr/>			
Total operating expenses	3,642,687	4,434,802	10,911,146	14,310,807
	<hr/>			
INCOME FROM OPERATIONS	309,382	683,204	1,005,530	1,256,883
<hr/>				
OTHER INCOME (EXPENSE)				
Interest Expense	(92,319)	(87,818)	(266,590)	(268,936)
Interest Income	6,143	7,101	17,192	23,673
	<hr/>			
NET INCOME	\$ 223,206	\$ 602,487	\$ 756,132	\$ 1,011,620
	<hr/>			
Basic Net Income Per common Share:				
Net Income	\$ 0.06	\$ 0.14	\$ 0.20	\$ 0.23
	<hr/>			
Weighted Average Shares Outstanding	3,900,653	4,348,678	3,900,653	4,348,678
	<hr/>			

RICK'S CABARET INTERNATIONAL, INC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Nine Months ended June 30,	
	2002	2001
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 756,132	\$1,011,620
Depreciation and amortization	349,558	603,588
Changes in working capital	(232,739)	(716,464)
	-----	-----
Net cash provided by operating activities	\$ 872,951	\$ 898,744
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(444,972)	(457,641)
	-----	-----
Net cash used in investing activities	\$ (444,972)	\$ (457,641)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued, less offering costs	--	24,345
Treasury stocks acquired	(1,154,327)	(42,369)
Proceeds from long-term debt	1,078,774	194,475
Payments on long-term debt	(171,136)	(391,107)
	-----	-----
Net cash used in financing activities	\$ (246,689)	\$ (214,656)
NET INCREASE IN CASH	181,290	226,447
CASH, at beginning of period	\$ 704,628	\$ 374,532
	-----	-----
CASH, at end of period	\$ 885,918	\$ 600,979
	=====	=====
SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ 266,590	\$ 268,936
	=====	=====

# RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2002

### 1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. They do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements for the year ended September 30, 2001 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The interim unaudited financial statements should be read in conjunction with those financial statements included in the Form 10-KSB. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the nine months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending September 30, 2002.

### 2. SEGMENT INFORMATION

In October 1999, the Company launched its web-sites operation. This segment derives revenues from membership fees, traffic sold, and sale of feeds to other web-site operators. Below is the financial information on the Company's segments:

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE NINE MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
REVENUES				
Internet Web-sites	\$ 573,647	\$ 1,807,618	\$ 1,722,492	\$ 5,944,034
Club operation	3,378,422	3,310,388	10,194,184	9,623,656
	\$ 3,952,069	\$ 5,118,006	\$ 11,916,676	\$ 15,567,690
NET INCOME/(LOSS)				
Internet Web-sites	\$ 143,838	\$ 433,620	\$ 399,941	\$ 612,952
Club operation	412,572	390,306	1,074,452	1,015,681
Corporate expenses	(333,204)	(221,439)	(718,261)	(617,013)
	\$ 223,206	\$ 602,487	\$ 756,132	\$ 1,011,620
PROPERTY & EQUIPMENT				
Internet Web-sites			\$ 183,009	\$ 235,050
Club operation			8,715,319	8,488,085
			\$ 8,898,328	\$ 8,723,135

### 3. NOTE RECEIVABLE FROM STOCKHOLDER

At June 30, 2002, the Company had a note receivable due from Eric Langan, President and Chief Executive Officer of the Company in the amount of \$100,000. The note is unsecured, bears interest of 11% per annum and is amortized over a period of 10 years. The note contains a provision that in the event Mr. Langan leaves the Company for any reason, the note immediately becomes due and payable in full.

#### 4. NEW ACCOUNTING STANDARD

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" ("FAS No. 142"). As its title implies, FAS No. 142 addresses the accounting for goodwill and other intangible assets. Under FAS 142, goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed at least annually for impairment. With respect to goodwill amortization, Rick's adopted FAS No.142 effective October 1, 2001.

Rick's performed a transitional impairment test of its goodwill as of October 1, 2001 and determined there may be impairment to goodwill recorded in its Internet web site segment. Rick's is in the process of performing analysis and evaluation procedures to determine the effects of the impairment. The Company expects to take the impairment write off in the 2002 fiscal year.

The following schedule shows the effect of this change on the three month and nine month periods ended June 30, 2002 and 2001:

For the three months ended June 30,	2002 -----	2001 -----
Reported net income	\$223,206	\$ 602,487
Add back: Goodwill Amortization	--	114,407
Adjusted net income	\$223,206	\$ 716,894
Basic earnings per share:		
Reported net income	\$ .06	\$ .14
Goodwill amortization	--	.02
Adjusted net income	\$ .06	\$ .16
For the nine months ended June 30,	2002 -----	2001 -----
Reported net income	\$756,132	\$1,011,620
Add back: Goodwill Amortization	--	296,900
Adjusted net income	\$756,132	\$1,308,520
Basic earnings per share:		
Reported net income	\$ .20	\$ .23
Goodwill amortization	--	.07
Adjusted net income	\$ .20	\$ .30



## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion should be read in conjunction with the Company's audited and unaudited consolidated financial statements and related notes thereto included in this quarterly report.

### **FORWARD LOOKING STATEMENT AND INFORMATION**

The Company is including the following cautionary statement in this Form 10-QSB to make applicable and take advantage of the safe harbor provision of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of, the Company. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historical facts. Certain statements in this Form 10-QSB are forward-looking statements. Words such as "expects", "anticipates" and "estimates" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties are set forth below. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties, but there can be no assurance that management's expectation, beliefs or projections will result, be achieved, or be accomplished. In addition to other factors and matters discussed elsewhere herein, the following are important factors that, in the view of the Company, could cause material adverse affects on the Company's financial condition and results of operations: the risks and uncertainties relating to our Internet operations, the impact and implementation of the sexually oriented business ordinance in the City of Houston, competitive factors, the timing of the openings of other clubs, the integration of operations of Taurus Entertainment Companies, Inc. with our operations and management, the availability of acceptable financing to fund corporate expansion efforts, competitive factors, and the dependence on key personnel. The Company has no obligation to update or revise these forward-looking statements to reflect the occurrence of future events or circumstances.

### **GENERAL**

We currently own and operate three adult Internet membership web sites at [www.dancerdorm.com](http://www.dancerdorm.com), [www.amateurdan.com](http://www.amateurdan.com), and [www.xxxpassword.com](http://www.xxxpassword.com) plus an adult auction site at [www.naughtybids.com](http://www.naughtybids.com).

We also own and operate adult nightclubs under the name "Rick's Cabaret" and "XTC" which offer live adult entertainment, restaurant and bar operations. We own and operate our Internet content production studio and web site operations center, and three adult nightclubs in Houston, Texas. We also own and operate adult nightclubs in Austin and San Antonio, Texas, and Minneapolis, Minnesota.

Our revenues are derived from subscriptions to adult content internet web sites auction listings, final value fees and from the sale of liquor, beer, wine and food, cover charges and other income. Our fiscal year end is September 30.

## **RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2002 AS COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2001**

For the three months ended June 30, 2002, the Company had consolidated total revenues of \$3,952,069 compared to consolidated total revenues of \$5,118,006 for the three months ended June 30, 2001, or an decrease of \$1,165,937. The decrease in total revenues was due to a decrease in revenues in the Company's Internet businesses of \$1,233,971. The decrease in the revenues generated by the Internet business was primarily due to the Company's efforts to migrate from high revenue sources, which produce low margins to sources that produce higher margins from smaller revenues. The Company has not realized the full effects of this migration process, but intends to follow its plan and expects the results of operation from the Internet business to improve in future periods. The Company also experienced a seasonal decrease in Club revenues due to the effect of the summer months, which was not experienced during the same period last year.

The cost of goods sold for the three months ended June 30, 2002 was 20.00% of total revenues compared to 28.44% for the three months ended June 30, 2001. The decrease in the cost of goods sold percentage was due to the reduction of costs related to the Internet business. The cost of goods sold for club operations for the three months ended June 30, 2002 was 15.52% compared to 13.94% for the three months ended June 30, 2001. The increase was due primarily to the increase in food costs and the addition of logo merchandise in our sales mix. We continued our efforts to achieve reductions in cost of goods sold of the club operations through improved inventory management. We continue a program to improve margins from liquor and food sales and food service efficiency. The cost of sales from our Internet operation for the three months ended June 30, 2002 was 44.57% and 54.96% for the three months ended June 30, 2001.

Payroll and related costs for the three months ended June 30, 2002 were \$1,310,969 compared to \$1,200,244 for the three months ended June 30, 2001. The increase was a result of additional personnel in the club operations, increased payroll expenses in the Internet segment and in the corporate office. Management currently believes that its labor and management staff levels are of appropriate levels.

Other selling, general and administrative expenses for the three months ended June 30, 2002 was \$1,540,291 compared to \$1,779,207 for the three months ended June 30, 2001. This decrease was due to the Company's efforts to reduce costs related to the club operations and to the elimination of costs related to the Internet business.

Interest expense for the three months ended June 30, 2002 was \$92,319 compared to \$87,818 for the three months ended June 30, 2001. The increase was primarily due to an increase in borrowing to finance equipment and for the purchase of treasury stock.

Net income for the three months ended June 30, 2002 was \$223,206 compared to \$602,487 for the three months ended June 30, 2001. The decrease in net income was primarily due to the decrease in revenues generated by the Internet segment.

## **RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED JUNE 30, 2002 AS COMPARED TO THE NINE MONTHS ENDED JUNE 30, 2001**

For the nine months ended June 30, 2002, the Company had consolidated total revenues of \$11,916,676 compared to consolidated total revenues of \$15,567,690 for the fiscal nine months ended June 30, 2001, or a decrease of \$3,651,014. The decrease in total revenues was due to the decline in revenues from the Internet business as a result of the Company's transition from programs, which generate high revenues with very low margins to programs, which will produce higher margins from smaller revenues.

The cost of goods sold for the nine months ended June 30, 2002 was 19.90% of total revenues compared to 36.16% for the nine months ended June 30, 2001. This decrease is attributable to the elimination of cost of goods sold related to the Internet business. The cost of goods sold for the club operations for the nine months ended June 30, 2002 was 14.04% and 14.14% for the nine months ended June 30, 2001. Management continued its efforts to achieve reductions in cost of goods sold through improved inventory management. The Company continues a program to improve margins from liquor and food sales and food service efficiency.

Payroll and related costs for the nine months ended June 30, 2002 were \$3,807,925 compared to \$3,615,197 for the nine months ended June 30, 2001. This increase is a result additional personnel added to the Company's club operations, additional payroll expenses in the Internet segment and the corporate office. Management currently believes that its labor and management staff levels are of appropriate levels.

Other selling, general and administrative expenses for the nine months ended June 30, 2002 were \$4,732,610 compared to \$5,066,364 for the nine months ended June 30, 2001. The decrease was due to the Company's efforts to control costs and to the elimination of costs related to the Internet business.

Interest expense for the nine months ended June 30, 2002 was \$266,590 compared to \$268,936 for the nine months ended June 30, 2001.

Net income for the nine months ended June 30, 2002 was \$756,132 compared to \$1,011,620 for the nine months ended June 30, 2001. The decrease in net income was primarily due to the decrease in revenues generated by the Internet segment and increases in payroll and related costs. Management currently believes that the Company is in the position to continue to be profitable in fiscal 2002.

## **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2002, the Company had working capital of \$690,661 compared to \$501,256 at September 30, 2001.

Net cash provided by operating activities in the nine months ended June 30, 2002 was \$872,951 compared to \$898,744 for the nine months ended June 30, 2001. The decrease in cash provided by operating activities was due principally to the decrease in net income from operation.

Depreciation and Amortization for the nine months ended June 30, 2002 were \$349,558 compared to \$603,588 for the nine months ended June 30, 2001. The decrease was attributable to the accounting change related to the impairment of goodwill.

In the opinion of management, working capital is not a true indicator of the financial status. Typically, the Company carries current liabilities in excess of current assets because the business receives substantially immediate payment for sales, with nominal receivables, while inventories and other current liabilities normally carry longer payment terms. Vendors and purveyors often remain flexible with payment terms providing the Company with opportunities to adjust to short-term business down turns. The Company considers the primary indicators of financial status to be the long-term trend and mix of sales revenues, overall cash flow and profitability from operations and the level of long-term debt.

We have not established lines of credit other than the existing debt. There can be no assurance that we will be able to obtain additional financing on reasonable terms, if at all.

As of June 30, 2002, the Company has purchased a total of 59,500 shares of its common stock on the open market at an average cost of \$2.68 per share. The Company has purchased 763,830 shares from individuals at an average cost of \$1.40 per share.

Because of the large volume of cash we handle, stringent cash controls have been implemented. In the event the sexually oriented business industry is required in all states to convert the entertainers who perform from independent

contractor to employee status, we have prepared alternative plans that we believe will protect our profitability. We believe that the industry standard of treating the entertainers as independent contractors provides sufficient safe harbor protection to preclude any payroll tax assessment for prior years.

The sexually oriented business industry is highly competitive with respect to price, service and location, as well as the professionalism of the entertainment. Although we believe that we are well-positioned to compete successfully in the future, there can be no assurance that we will be able to maintain our high level of name recognition and prestige within the marketplace.

**SEASONALITY**

The Company is significantly affected by seasonal factors. Typically, the Company has experienced reduced revenues from April through September with the strongest operating results occurring during October through March.

**PART II OTHER INFORMATION**

**Item 1. LEGAL PROCEDURES**  
**Not Applicable**

**Item 2. CHANGES IN SECURITIES**  
**Not Applicable**

**Item 3. DEFAULTS UPON SENIOR SECURITIES**  
**Not Applicable**

**Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERRS**

Our annual meeting of shareholders was at 10:00AM (CST) at 3113 Bering Drive, Houston, Texas 77057, on June 12, 2002 for the purpose of voting on the proposals described below. Proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange act of 1934 and there were no solicitations in opposition to our solicitation.

The holders of common stock approved the election of the following five directors, each to serve for a term of one year by the following vote:

	Votes For	Votes Against	Votes Withheld
	-----	-----	-----
Alan Bergstrom	4,330,654	-0-	9,731
Steven L. Jenkins	4,330,469	-0-	9,916
Eric S. Langan	4,330,654	-0-	9,731
Travis Reese	4,330,654	-0-	9,731
Robert L.Watters	4,330,654	-0-	9,731

The holders of common stock ratified the appointment of Jackson & Rhodes, P.C. as our independent accountants for the fiscal year ending September 30, 2002 by the following vote:

Votes For	4,328,482
Votes Against	7,163
Abstaining	4,396

Item 5. OTHER INFORMAITON  
Not Applicable

**Item 6. EXHIBITS AND REPORTS ON FORM 8-K**

**a. Exhibits**

The following exhibits are included with this report:

Exhibit Number -----	Description -----
99.1	Certification of Chief Executive Officer and Chief Financial Officer of Rick's Cabaret International, Inc.

**b. Form 8-K**

On June 7, 2002, the Company filed a report on Form 8-K, which reported information related to Item 2. ACQUISITION OR DISPOSITION OF ASSETS.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### RICK'S CABARET INTERNATIONAL, INC.

*Date: August 13, 2002*

*By: /s/ Eric Langan*  
-----

*Eric S. Langan*  
*Chief Executive Officer*

*Date: August 13, 2002:*

*By: /s/ Ken Hedrick*  
-----

*Ken Hedrick*  
*Chief Financial Officer*

## EXHIBIT 99.1

**Certification of Chief Executive Officer and Chief Financial Officer of Rick's Cabaret International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 1992 and Section 1350 of 18 U.S.C. 63.**

I, Eric Langan, the Chief Executive Officer of Rick's Cabaret International, Inc. and I, Ken Hedrick, the Chief Financial Officer of Rick's Cabaret International, Inc., hereby certify that Rick's Cabaret International, Inc.'s periodic report on Form 10QSB for the period ending June 30, 2002, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that information contained in the periodic report on Form 10QSB fairly presents, in all material respects, the financial condition and results of the operations of Rick's Cabaret International, Inc.

**RICK'S CABARET INTERNATIONAL, INC.**

*Date: August 13, 2002*

*By: /s/ Eric Langan*

*Eric S. Langan  
Chief Executive Officer*

*Date: August 13, 2002:*

*By: /s/ Ken Hedrick*

*Ken Hedrick  
Chief Financial Officer*

---

**End of Filing**

Powered By **EDGAR**  
Online

**© 2005 | EDGAR Online, Inc.**